

Minutes – Finance Committee Meeting

November 22, 2021, 4:30 pm

Present at last meeting: Tara Zimmerman (m), Susan Timmer (m), Aubrey Lara (m), Will Vizzard (m), Bettsi Ledesma, Guest: Bill Erlanger (CPA)

1) Approval of October minutes – Approved via email

2) Old business:

a. Follow-up on approving draft Operating & Reserve Budgets- consultation with Bill Erlanger, CPA

i. Reserve budget

1. Follow up on Taxes- state & federal taxes will be paid out of the reserve budget for the 21/22 tax year. Our tax liability is primarily a result of interest income from reserve funds. We also have a small amount of income from the easement and clubhouse rentals, which are deposited in operations funds. The FC asked Mr. Erlanger, our CPA, whether we should continue paying all taxes out of reserves or whether it would be better to budget a small amount to pay taxes out of the operations budget for the income gained from those items. He agreed that it would be better and cleaner to separate the two budgets' tax liabilities in the future.

The Finance Committee recommends that the Board include line items for federal and state taxes in the operations and reserve budgets next year. Because the bill comes as a combined total, we propose that the money to pay the entire bill come from the operations funds. At the end of the year, the CPA will separate the amount due from the reserve funds and reimburse the operations with that amount.

3) New business:

a. Review of October financials- Refunds to prior homeowners were finally made and are included in this month's financials.

b. Review of Reserve tracker- Ms. Ledesma will send the reserve tracker to FC members by the end of the day for review and comment.

c. Siding conversion- Updates on siding conversion: Vizzard presented his idea of examining possibility of siding conversion from T1-11 plywood to SmartSide: examine the cost savings of converting slowly from T1-11, which requires

replacement every 6-8 years to SmartSide, which has a lifespan of 50 years (50 year warranty). The cost of the engineered wood (SmartSide) is approximately equal to the cost of the plywood siding but the need to replace an entire elevation with the new material means that we would replace some siding that was still in decent shape, thus increasing total costs. Bob Browning will attend the next Finance committee meeting to talk about evaluating the merits of this plan.

- d. Solar panels to power Clubhouse pool and spa: Mary Gray is exploring the feasibility of this project and getting bids.
- e. New items/Planning for the future (running list)-
 - i. (Vizzard) Replacing T1-11 with SmartSide (see above)
 - ii. (Vizzard) Possibility of recommending that the Board examine landscape contract to reduce “low volume” blowing (see above)
 - iii. Guiding principles to help with budgetary decision-making
 - iv. Infrastructure needed to collect gray (runoff) water to help with irrigation/ minimize water costs

4) Meeting adjourned 4:50 pm

5) Next meeting: December 20, 4:30